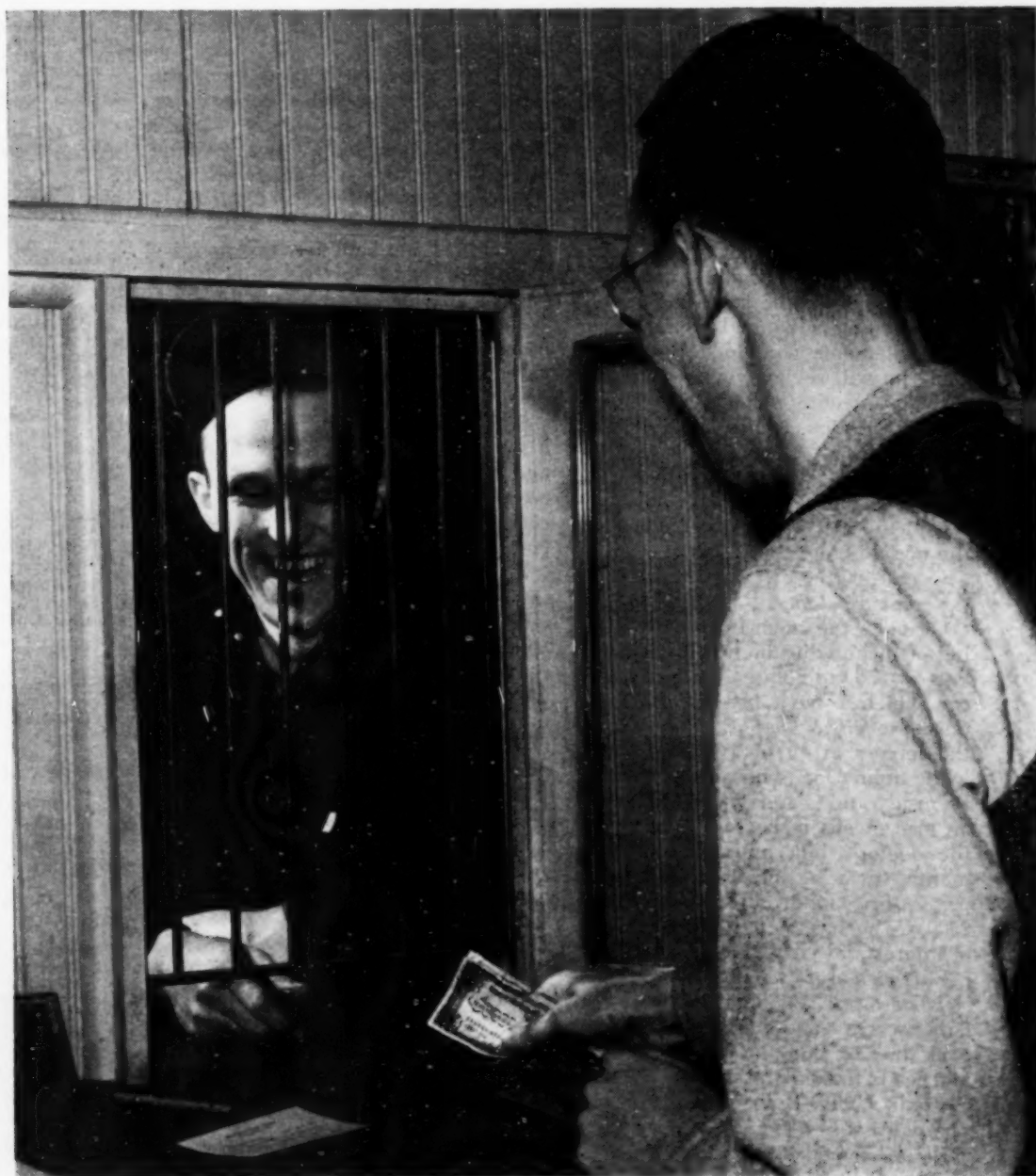


Bridge

The Idea Exchange of the credit union movement



*February
1947*

See page 20

official publication

Credit Union National Association

For he that Hath—

by Leonard R. Nixon

"FOR HE THAT HATH, to him shall be given; and he that hath not, that also which he hath shall be taken away from him."—St. Mark, Chapter IV, verse 25.

This quotation from the Bible written many centuries ago is apparently as true today as it was in the Dark Ages.

Its truth is exemplified by many of the practices employed by the boards of directors of many of our credit unions throughout the state. During my visits to the credit unions this summer, I found a great many directors giving considerable thought to Differential Interest Rates.

At the outset, let me state that many of the credit union leaders throughout the country are opposed to this practice and I am one of the leaders of this opposition.

In considering the situation, I am going to cite a few examples and I trust that if you recognize your credit union as one of the so-called offenders that you will not be offended at the statements contained herein but that you will review your practices at the next meeting of your board.

Credit Union A has the following rates on loans:

Up to \$200, 1% per month on the unpaid balance.

\$201 to \$400, ¾ of 1% per month on the unpaid balance.

Over \$400, ½ of 1% per month on the unpaid balance.

Consider the facts: If I were a member of this credit union and wished to borrow \$500 to help me finance a new car which I have been planning to purchase since 1941, I could secure the money at ½ of 1% per month, while John Doe, whose salary is half as large as mine and whose kid breaks an arm, needs to borrow \$100 to pay the doctor's bill, must pay 1% per month—twice as much as I have to pay. Joe cannot afford to borrow \$500 so he has to pay a higher rate of interest.

Furthermore, I need to borrow \$200 so I borrow \$425 and get the money at half the rate and next month I pay back the \$225 I did not need. This system leads to sharp practices.

Credit Union B charges 1% on unsecured loans—¾ of 1% on car loans and on loans secured by shares, charges the current dividend rate. In other words the credit union does the bookkeeping—insures my loan against death and it does not cost me a cent, while Joe while \$5 in his account pays the freight.

True, we will be met with competi-

tion from outside lending institutions in the supposedly lower rate of interest for car financing. However, before we consider cutting our interest rate to meet competition, let's figure all the charges.

If a member finances his credit outside he will probably have to:

1. Send his payments through the mail at a cost of 3 cents a week or month or lose time and create expense by going downtown to pay the finance company.

2. He will probably have to purchase a money order or a check at additional expense.

3. On a car, he will have to pay the filing fee for the sales contract or chattel mortgage recording.

4. He will probably pay a large amount of hidden charges for his car insurance and will not get the dividend on his premium.

5. He will not have free life and disability insurance for the unpaid balance of his loan.

6. He will have no voice in the management of the commercial organization with which he does business.

7. If he is more than 5 days late with his payments, he will be fined heavily and if he has tough luck the finance company will seize the car or other collateral without consideration of his particular personal problems.

So, before you cut your interest rate, figure all the angles and if you feel that your rate is too high to meet legal competition, then cut your rates right across the board. Do not favor the member who can afford to make the biggest loan or who can afford to buy an article which, to many of our members, would be a luxury.

Be truly a service organization and give the little fellow—the fellow who is down on his luck—a rate as low as anyone else. Never let the above text apply to your credit union or in the language of the day do not follow the philosophy of "Them that has, gits; and from them that ain't got shall be taken even that which they ain't got."

—Connecticut Credit Union News.



Bridge

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Credit Union National Association

Madison 1, Wisconsin

HOWARD C. CUSTER, Editor

CHAS. G. HYLAND, Business Manager

SUBSCRIPTIONS—\$1 A YEAR

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BRIDGE

Congratulations!

TO new and old credit union directors and committee members as you start your new terms. As you well know we are in the midst of crucial times, but there is every reason to feel confident that credit unions will gain ground rapidly from now on, with the removal of war-time conditions, and the opening up of production of civilian goods. You are therefore taking hold at a time of great opportunity as well as of great responsibility.

More power to you!

We made it!

Fourth annual credit union membership drive exceeds quota

WE MADE IT! The Fourth Annual International Credit Union Membership Drive chalked up its quota of 100,000 new credit union members—and then some.

The final total, after reports from 42 participating provinces and states were added up, reached 101,092.

For the second year in a row Illinois was way out in front in regard to total new members, with 15,385. Last year its total was 12,282.

In regard to percentage of quota, Ontario came in first, with 377 percent. Closely following were British Columbia, with 369; Indiana with 314; Rhode Island with 307.

The top-ten totals were turned in by: Illinois, 15,385; Pennsylvania, 8,972; Michigan, 3,759; New York, 6,823; California, 6,600; Connecticut, 5,762; Ontario, 5,278; Wisconsin, 4,326; Texas, 3,857; and Indiana, 3,140.

This is the first year that the 100,000 quotas set for these drives was accomplished. The highest previous achievement was 64,072, made in 1944. In 1945 it was 47,990; in 1943, 53,210.

Last year 33 provinces and states turned in reports, compared with this year's 42. Last year nine reports exceeded quotas; this year 25 rang the bell.

On this page provinces and states in Canada and the United States are listed according to percentage of quotas obtained in the drive. The quotas were determined by dividing, roughly, the 100,000 goal among the groups in accordance with relative membership totals as shown by latest official reports. However many individual factors make it impossible to determine precisely the group which made the best showing. That was not the purpose of the drive. The pur-

pose was to increase as much as possible, by concerted effort, the number of persons receiving credit union service. Measured by that purpose every credit union group which participated to the extent of its ability won—even if it failed to make a report. Certainly the reports turned in proved that the drive was a success.

Really Made Progress

As Leonard R. Nixon, managing director of the Connecticut Credit Union League, commented on his report, "We feel that we really made progress this year."

Another indication of the success of the drive is given by the remark added to his report by Henry L. Peterson, managing director of the Kansas Credit Union League: "This wasn't such a bad showing but better than that, we have a few credit unions that have initiated a sustained drive and I think we shall add another 400 or 500 during the next couple of months."

Adolph R. Gull, treasurer of the Gasco Credit Union in Milwaukee, Wisconsin, commented in his credit union's report to the Wisconsin Credit Union League that the credit union now had 1,197 full-fledged members, although the company only has 1,003 employees.

Michigan made good the challenge it tossed at Ontario early in the drive (see page 2 of October BRIDGE). It got 3,481 more members than Ontario did. On the other hand Ontario came out ahead in the percentage-of-quota category, by 85 percentage points.

All reports strengthen the growing belief that credit unions are approaching a period of progress much greater than any of the record-breaking years before the war. Undoubtedly future membership drives will make this

year's success seem small, gratifying though that success is to credit union leaders now.

The Details

	Quota	Total	Percent of quota
Ontario	1,400	5,278	377★
British Columbia	500	1,844	369★
Indiana	1,000	3,140	314★
Rhode Island ...	500	1,537	307★
Oklahoma	300	881	294★
Michigan	3,000	8,759	292★
Kansas	750	1,586	211★
Virginia	400	809	202★
Texas	2,000	3,857	193★
Connecticut	3,000	5,762	192★
West Virginia...	400	686	172★
Utah	150	245	163★
Louisiana	1,000	1,526	153★
Tennessee	1,000	1,458	146★
Maine	200	288	144★
Illinois	11,000	15,385	140★
Dist. of Columbia	2,000	2,756	138★
Oregon	400	503	126★
Alberta	500	600	120★
California	6,000	6,600	110★
Massachusetts ..	1,400	1,529	109★
South Dakota...	250	273	109★
North Carolina .	2,000	2,107	105★
Kentucky	3,000	3,044	101★
Pennsylvania ..	9,000	8,972	100★
Wisconsin	4,500	4,326	96
Minnesota	2,500	2,230	89
New York	8,000	6,823	85
Missouri	3,000	2,472	82
Vermont	50	41	82
Iowa	2,500	1,473	59
Georgia	2,000	1,120	56
Nebraska	500	253	51
South Carolina..	500	240	48
New Jersey.....	2,100	950	46
Arkansas	100	44	44
Montana	150	56	37
Maryland	700	216	31
Colorado	700	207	30
Nova Scotia....	3,000	891	30
Quebec	400	89	22
North Dakota...	1,700	236	14
Wyoming	50		No report
Delaware	100		No report
Nevada	100		No report
New Mexico....	100		No report
Newfoundland..	100		No report
Arizona	150		No report
Idaho	150		No report
Prince Edward Island	150		No report
Mississippi	200		No report
New Hampshire	200		No report
New Brunswick	300		No report
Washington	500		No report
Hawaii.....	1,000		No report
Alabama	1,500		No report
Saskatchewan ..	1,750		No report
Manitoba	2,000		No report
Florida	2,500		No report
Ohio	5,700		No report
Canada and the U. S.	100,000	101,092	101

1947

the Year of Destiny?

Not quite, perhaps; but . . .

IS 1947 THE YEAR of destiny? Well, not quite, perhaps. But certainly the wisdom and aggressiveness with which credit union leaders plan and put into effect their programs during this year will largely determine the future of their credit unions and of the credit union movement.

As automobiles, refrigerators, washing machines, and other durable consumer goods hit the market in increasing numbers, the demand for consumer credit will without doubt swell to record-breaking heights. Consumer credit agencies are already scrambling for this business like street urchins diving for scattered coins.

During the war all consumer credit agencies lost ground. All more or less marked time. As a result all are going after the postwar business on a more nearly even starting line. Very likely credit unions will never again have so good an opportunity to gain and hold a commanding share of consumer loan business. We must fight for and win a strong segment of the field—both by organizing new credit unions and by winning maximum membership participation for all credit unions. If we do not we are sure to lose ground. If we do we are sure to enjoy an ever increasing place in the hearts of the borrowing public. Our membership should grow in size and in the extent of its use of our services.

If this is to be brought about each credit union has to attack the problem from two angles—the local and the state-national-international. It is exceedingly important that the directors our 1947 annual meetings have just entrusted with 1947 credit union destiny should keep this in mind. No credit union can operate with maximum success in a vacuum, no matter how aggressive its individual program.

Supplements Local Action

It must be admitted, however, that no credit union can depend upon the organized credit union movement for the solution of its own individual problems; for its own individual success. It can receive advice. It can receive printed aids. It can receive the benefit of the cumulative recogni-

tion that comes from the success of credit union action through the years. It can obtain services unobtainable by individual action, such as Loan Protection and Life Savings insurance, low-cost surety bonds and low cost automobile insurance. It can receive the protection of joint action against crippling legislation or unfavorable representations to the public by unfriendly agencies. But these merely supplement and strengthen, they do not take the place of, strong individual planning and action.

By all means we should belong to our credit union leagues and to the Credit Union National Association. We must make full use of the services they offer us. And yes, we must exercise our democratic control over these organizations to see that they serve us increasingly better.

But all this only fulfills one important phase of our postwar credit union drive. The other crucially important phase is the sum-total of the drives made by each individual credit union, including our own credit union.

It is this phase that we are particularly interested in at this time. What can we as credit union directors do to insure the greatest possible use of our credit unions in the coming years?

In the First Place

In the first place we can make sure that our attitude is really one of service. Do we make it easy for our members to do business with us? Is our office convenient? Do our office hours fit our members' needs? Can loan applications and negotiations be handled in complete confidence? Are we genuinely friendly and do we make it plain that we are determined to do all we can to help? Have we organized our operations so that service is rendered promptly, without delay?

Then How About?

Then how about the formal policies set by the board? Do we tie the hands of the credit committee with unnecessary restrictions? Do we encourage the credit committee to demand excessive security? Experience has proved that the board should let the

credit committee have full discretion to decide the terms of each individual loan on its merit and with the welfare of the member always in mind, within legal limitations, of course. In other words, if our law permits loans up to \$300 without security, the board should permit and encourage the credit committee to grant such loans.

A liberal lending policy, based on the conviction that the great majority of men are honest, has proved to be good business. It certainly is good credit union practice—"Not for profit, not for charity, but for service."

The Third Step

Such a policy does, however, require a strong delinquent loan control program. Prompt, tactful reminders that the credit union expects borrowers to comply with the terms of their loans, helps the potentially slow payers to develop good credit habits, and stresses the fact that the credit union follows good business practices. Prompt attention to delinquent loans also makes it easier to deal with the few borrowers whose good intentions melt away in the face of repayment difficulties; and makes it easier to handle the even fewer—exceedingly few—borrowers with dishonorable intentions. The third step in our program should therefore be to set up a delinquent loan committee of the board and to see that the committee functions regularly and aggressively.

A series of friendly but forceful reminder letters should be developed, and a program of personal calls on the problem cases that develop should be adopted. The board should be regularly informed as to the activity of this committee and should determine the policies under which it operates.

One of the surest indications of a board of directors that is accepting its responsibility conscientiously and with intelligence is provided by a capable handling of the delinquent loan problem. The credit union must not be imposed upon, but neither must it be impatient or unsympathetic toward the problems of its borrowing members. It's a question of sound human relations—and a liberal education in the art of human association!

Which Leads Us to Fourth Phase

Which leads us to the question of membership and public relations, the fourth phase of our postwar expansion program.

Without doubt the most successful credit unions have a strong and continuing education or promotional program. This may be the work of a single energetic and clever member of the board or other volunteer, but preferably it should be handled by a committee.

Advertisements in magazines and papers should be studied regularly for ideas. Ideas developed by other credit unions as reported in the Idea Exchange of BRIDGE may be adapted to individual needs. Cuna posters, pay envelope inserts, blotters, pocket calendars, calendar banks, leaflets, and other materials offered from time to time should not be overlooked. Nor should the importance of personal contact. New employees should be welcomed into the field of membership and invited to join the credit union.

The important thing to remember is this: An effective program is friendly, is unpretentious but attractive, stresses the financial help offered by the credit union, inspires action and makes action as easy as possible—for example, gives all the information required to obtain credit union service.

And an effective program is a continuing one. Members and potential members must be continually reminded of the services the credit union offers them, and every contact with members and potential members must re-emphasize the friendly service nature of the credit union program.

A well-operated, well-promoted credit union is a joy to its leaders and to its members. Only such credit unions are worth the trouble it takes to run any credit union, good or bad. And only such credit unions will contribute largely to the elimination of loan sharks and usury.

But such credit unions will help make this in fact a year of destiny in the history of the credit union movement's struggle to bring the advantages of cooperative thrift and loan service to all working people.

Let us all therefore pledge ourselves to see that our credit unions initiate at once this four-fold postwar credit union program:

1. *Friendly service at all times.*
2. *No arbitrary general restrictions on loan service; every application considered upon its merits, to the extent permitted by law.*
3. *Tactful and sympathetic but forceful delinquent loan control.*
4. *Well-considered, continuing credit union promotion programs.*

February, 1947



Musings

of credit union leader just elected to serve on board

» Maybe I was foolish to let them elect me, but now that I am elected I have assumed the obligation to serve well. And I know from experience that a job well done is an interesting one.

» And why should I not find it interesting to participate in a program which has done so much, and can do so much more, to solve the economic problems of the working man? It is up to us to build upon and carry forward the work already done.

» A board of directors should be like a team, each member assuming definite responsibility and all pulling equally hard to carry the credit union forward.

» I am glad to know that our credit union belongs to the State Credit Union League and the Credit Union National Association. The experience of every business enterprise I know anything about proves the value of regional and national association of individual groups, for the purpose of pooling experience and of receiving increased benefits.

» For the same reason I am glad we subscribe for BRIDGE for all directors and committee members. A periodical news and idea exchange is invaluable. We must all read it comprehensively and regularly, though, if it is to be of help to us.

» One thing I am sure of. If we are going to serve our members, we are going to serve them cheerfully. Those directors and committee members who accept office from the members and then treat those members like black sheep when they ask for service pain me acutely. Their rudeness, their lack of good will, their whining about the thankless burdens of their job, only makes them miserable—and drives away members.

» Well, let's go. Let's make this a whale of a credit union year.

There's a cure for "one-man-itis"

AS CREDIT UNIONS complete their first year of postwar experience, the stresses and strains of today's operating difficulties reveal the ever-increasing danger of one-man control. This weakness is not a product of the war. On the contrary, it has existed and has been recognized as one of the remediable problems of credit unions during the most promising years in the history of the movement. It might be called the disease of "one-man-itis."

The "one-man" credit union is somewhat of a phenomenon. During the lifetime or stewardship of its able treasurer, it presents a beautiful picture of efficient operation, good service to the members, and even of membership participation. No sooner does the treasurer leave the picture, however, than our beautiful picture crumbles into dust. Operations become disorganized, the members lose interest in saving or borrowing from the credit union, and there isn't a single person among the membership—no matter how large that membership may be—who can find the time or the interest in his fellow men to take office in the credit union.

The Symptoms

By now you may recognize the credit union affected with "one-man-itis," or you may even know one. It's the credit where everyone says "Let George do it," and George does it. It's the credit union where the credit committee doesn't find it necessary to hold meetings jointly to consider loans, because George knows all about the applicant and has already made up the minds of the credit committee members on the loan before they can discuss it. It's the credit union where the supervisory committee wouldn't think of reconciling the cash account, or balancing the members' accounts with the treasurer's records, because everyone trusts George and doesn't want to hurt his feelings by checking too closely on him. It's the credit union where the board of directors' meetings, when they are held, are usually turned over to George who tells the board members that the delinquent loans are getting pretty thick,

Jack Dublin is principal credit union examiner in the Chicago office of the Federal Deposit Insurance Corporation.



by Jack Dublin

but that there's no need to worry about them. It's the credit union with 3,000 members that has to send out a posse to bring in a bare quorum of 15 members, in order to hold the annual meeting. The other members know that good old George will see that they get a dividend.

Don't get the wrong idea about George. He may not want the credit union to rest solely upon himself. Perhaps he has always tried to encourage the other directors and committee members to accept their responsibilities—but when they failed and passed the buck, what was George to do? George is flattered by the confidence that his fellow officials and the members have in him, but he would even be more flattered if the supervisory committee were to make a real audit, and tell him that everything is all right. George enjoys the job of managing his credit union, but there are many times when he would appreciate a chance to discuss new problems with his board and feel that their advice was based on knowledge.

Case History

Let's study the case history of George's credit union—the one that succumbed to "one-man-itis." You really can't put the blame on George. It goes back to the day the credit union was organized. George was deeply interested in credit unions, and he had been the moving force in getting this credit union organized. It was only natural that he should be

elected treasurer right from the outset, and just as natural that he should continue in office year after year.

It could have been quite a different story, if only there had been a little more educational work done at the plant before the credit union was organized. There would have been at least a few of the others, then, who would have known about the law and the bylaws and the opportunity for service through credit unions. But the chance wasn't lost, even there. After the charter was granted, an educational program among the membership might have aroused some interest among the members, and might have even brought forth more good leaders like George. The one-man credit union grew into its present lopsided form through years of disregard of the bylaws. The bylaws said that the credit union should elect a board of directors, a credit committee and a supervisory committee. This credit union named these officials, but that's as far as it went. In actual practice it always got along with just George doing all the jobs.

It Looked Good

While George was there, the credit union had all the appearance of a successful cooperative organization. The books and records were beautifully kept, because George was an excellent bookkeeper. Loans were made in modest amounts, although many members were still borrowing at usurious rates because they didn't know about the credit union. Quite a few dangerous delinquencies had accumulated, some of the borrowers having left town for other jobs, but George felt they were good for the money and besides he couldn't find time to write follow-up letters or act as a collection agent in addition to his other duties. Yes, even the supervisory committee audit reports were properly filled in and submitted, although George's name should have been signed next to those of the committee members since he had actually guided them through the audit. While George was living, the credit union looked just as good—on paper—as any other in the city, and a lot better than most of them. They were having a lot of trouble in those other credit unions during the war years. It seemed that all of their officers took their duties to heart, and were making

plenty of mistakes while they learned how to do their jobs. That was stupid when you could find someone like George as treasurer.

George took sick with a heart ailment around October and by December he had gone to his eternal rest. Then the credit union got some help from the company bookkeeper who agreed to fill in until a new treasurer could be elected. The trouble was that no one could be found to take the position of treasurer, even though the search went on for months. During those months, the credit union looked much the same on paper, but important changes were going on within the organization. The members lost all interest in coming to the credit union office since George wasn't there any more to cheer them up with a hearty greeting, and they began to look elsewhere for loans when they had to wait for the credit committee to get together to take action. More employees were leaving the plant as new jobs opened elsewhere, and, since no follow-up system existed, the new bookkeeper simply took it for granted that everything would go along as usual.

Problems Disclosed

Within 9 months, however, it was evident to everyone that the credit union was on the downgrade. Eventually, the problems were disclosed and an attempt was made to cope with them, but it didn't succeed. The credit union had been so weakened by its years of one-man control that it couldn't get back on its feet. It was hard enough for the other officials to realize that their long vacation was over. It was almost impossible for them to take over their duties because they simply didn't know where to begin. The only solution they could think of—because it looked like an easy way out—was to liquidate the credit union. Some of the members didn't like the idea of losing their credit union, but only a few of them were willing to give up other activities on such short notice in order to take positions in the credit union. Finally the credit union was dissolved; the members got 105 percent return on their share investments;—and the money lenders who charge much more than maximum credit union rates for loans to pay doctor bills began to add some new names to their accounts.

This credit union could still be operating today, and so could some other "one-man-itis" victims which have long since given up their charters. "One-man-itis" is easier to prevent than it is to cure, but both prevention and cure are possible. "Vaccination"—injecting liberal amounts of education—works wonders as a preventative (and often as a cure).

Education is a medicine that is often furnished free of charge, and when there is a charge it is always surprisingly low. Manuals of procedure for the supervisory committee and the credit committee, informative pamphlets on how to hold better annual meetings and how to install an effective collection procedure, and other educational bulletins may be obtained at a moderate cost or in some cases, even without charge. Large selections of educational material and posters are available from the usual sources of credit union supplies at reasonable rates.

The Ideal Time

The ideal time for preventive measures is at the annual meeting. A well-planned membership meeting will usually bring out a good attendance. Good attendance affords a wider choice of persons for the positions to be filled, and an opportunity for the members to become acquainted with the officials of their choice. Enough time should be devoted to the reports of committees and others preceding the elections to give the membership a clear picture of their powers and responsibilities as owners of the organization. It should also be made clear that elections are delegations of that power and responsibility—not popularity contests.

Money spent by the credit union to enable its official staff to attend chapter dinner meetings is usually a good investment. Likewise, the desirability of sending representatives to league conventions may call for some sacrifice, but the money is well spent if it produces a more informed and alert management group.

It may be difficult to cure a case of "one-man-itis" and sometimes a bit of diplomatic "surgery" is necessary to cut away from the treasurer duties which properly belong to the directors or the committees. Or sometimes it is necessary to saw off the deadwood. A director or committeeman who fails to attend the meetings of his group or to participate in their activities is deadwood. He should be removed and replaced with someone who can and will do the job. How often we see the appointment of officials who may be highly qualified people, but who have neither the time to spend nor the interest in the credit union to enable their doing a good job. Better choices can often be found among lesser-

known individuals who have the time and the keen ambition to do an outstanding job.

Plenty To Do

One symptom of "one-man-itis" is seen when the board of directors fails to hold regular monthly meetings because "there is nothing to do." Intelligent board members can find plenty to do if they will plan study meetings, and they'll find too that other officials of the credit union can use some "book learning." Usually the study plan works best when the directorate and committees get together for their study sessions. It doesn't take long for the average group to find out how much there is to learn from the credit union law, the bylaws of the organization, Regulation W, instructions from the supervisory authorities, and educational articles published for credit union people. There is real pleasure in doing a job well. The officials who know what they are doing are invariably found in the credit unions that are giving the best service and operating most efficiently.

Directors and committeemen can find no better way of showing their faith in the usefulness of the credit union than to follow the advice set out by Buford B. Lankford in his article "Are you practicing what you preach" on page 4 of the February 1946 issue of *THE BRIDGE*. He there recommends that each director and committeeman start today and save regularly in their credit union each week or each pay day. Where this has been done an atmosphere is created which is unfavorable to the disease known as "one-manitis."

Today credit unions look forward to a period of renewed activity that will demand the utmost in service that they can give. Well managed credit unions, healthy credit unions, will be able to give super service. Credit unions suffering from "one-man-itis" are likely to weaken just when they are needed most. It is up to the members and management of each credit union to make an inspection of their credit union, and, when they discover any signs of this malady, to prescribe and administer the remedy. Good stiff doses of the right medicine will work wonders, both as a preventative and as a cure.

Correction

IN THE PROCESS of getting the article "Your Insurance Program" from manuscript to pages 8 and 9 of the January *BRIDGE* an error not in the original officially approved manuscript crept in. The maximum protection provided by Loan Protection Insurance is \$5,000 instead of \$7,500 as stated.



What About It?

by Dora Maxwell

Answers to your credit union questions
by Cuna organization and education director

Christmas Clubs

QUESTION (FROM WISCONSIN):

Being the Publicity Director of our credit union. I have been approached by several members to give them more information about the Christmas Club which they tell me other credit unions have. Can you give me more information about this type of savings club?

ANSWER:

If you decide to set up a Christmas Club in your credit union you may purchase forms through the Wisconsin Credit Union League. Under your State law, when you receive money for Christmas Club accounts, they must be handled in the same way as money received on share accounts.

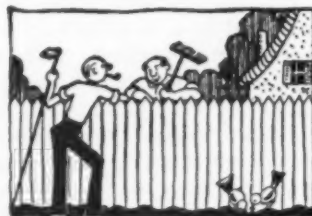
Treasurer's Salary

QUESTION (FROM COLORADO):

At our next annual meeting in January the Board of Directors expect to present a recommendation to the membership that the salary of our treasurer (the only paid member of our credit union organization) be increased. Up until a couple of years ago the treasurer's salary had been \$25 a month, then we added meal expense when the treasurer stayed at the office in the interest of the credit union. We made no change at the annual meeting last January because we were then in the midst of a steel strike with most of the members not yet working. (And, by the way, your suggestion to hold off limiting withdrawals as long as possible helped us out; we didn't have to invoke that provision at all.) The work of the treasurer has been increased considerably and as things become more available, resulting in more loan applications, the treasurer will have more to do. We submit our statement and would appreciate knowing what you have found the fairest basis for setting the treasurer's salary.

ANSWER:

It is very difficult to know how much to pay a credit union treasurer. If all of your money were working it would be safe to spend up to 50 percent or even 60 percent of your gross income for all expenses, including the treasurer's salary. Since only about one-quarter of your money is working this is not possible. Conditions vary in different credit unions affecting the amount of time spent by the treasurer. If you have weekly, semi-monthly or monthly repayment of



You are invited to submit your questions on any credit union problems to this department. You are also welcome to contribute your own ideas on the answers printed here. What's on your mind?

loans there is a difference in the amount of work. If you have payroll deductions, that affects the work involved. Business is picking up and this will be reflected in your income another year. Until it is, however, I would think that you would have to be quite conservative in your payment to the treasurer. It is good to know that you had no difficulty about unusual share withdrawals at the time of the strike in spite of your fears in anticipation. This must be a frightening thing to contemplate and I am glad to know that things worked out satisfactorily.

Life Savings Coverage

QUESTION (FROM NEW YORK):

My husband will be fifty-five years old in December. Do the life savings benefits start to reduce after he has passed his fifty-fifth birthday?

ANSWER:

Yes, that is on all savings deposited to his account on and after his 55th birthday. Savings deposited prior to his 55th birthday will receive 100 per cent benefits.

War Bonds as Security

QUESTION (FROM INDIANA):

A number of persons have requested us to make loans to pay taxes and give as security Series E War Bonds in lieu of cashing them in. Is it possible for us to make loans using Series E Bonds as security?

ANSWER:

No. Series E Bonds are not transferable and cannot be used as collateral on loans.

Collecting from Co-Makers

QUESTION (FROM LOUISIANA):

A member of our credit union has filed a petition in bankruptcy, and has

been discharged by the company. Does this release the co-makers of the note?

ANSWER:

No. The credit union may legally collect from the co-makers on the note.

Life Savings Benefits

QUESTION (FROM ONTARIO):

I saved \$500 before age fifty-five and \$1,500 additional before sixty in my credit union. Is there any way I can get \$1,000 coverage after sixty-five under life savings?

ANSWER:

If you saved the amounts which are stated above in the ages given, you have \$1,000 of life-savings coverage. Your saving of \$500 which you deposited before age fifty-five are insured 100% giving you \$500 Life Savings insurance. The \$1,500 saved before age sixty is insured up to 75% which gives you \$750 of Life Savings insurance. This makes a total of \$1,125 but since the maximum of this insurance is \$1,000 you have answered your own question and have found the way to provide \$1,000 of Life Savings coverage even though you are sixty-five.

Interest on Shares

QUESTION (FROM MANITOBA):

Can a credit union not pay any interest on its share savings?

ANSWER:

A credit union may pass up a dividend on shares. Usually this is done when the earnings do not justify a dividend payment.

Transfer of Shares

QUESTION (FROM COLORADO):

Will you please let me know if it is possible for a member to sell or transfer his account to another member? In the book, form 15, it mentions transfer to qualified members and I know of one who plans on withdrawing his account in the near future and would like to know if it is possible for me to buy it and have it transferred to my account.

ANSWER:

While credit union laws provide for the transfer of shares, there is really no necessity to do this in the situation you describe. And as there is a penalty, it hardly seems worth while.

The simplest thing, if a member

wishes to withdraw, is for him to do this and get his money from the credit union. If another member wants to accumulate additional shares, he simply deposits some more to his share account.

The Word "Union"

QUESTION (FROM NEBRASKA):

We like very much the educational and advertising material issued by CUNA but cannot use it as we are under the impression that we are not permitted to use the term "union" in our name under the Nebraska Law. Please advise us about this.

ANSWER:

The Nebraska Law was amended in 1943 and one of the purposes of this amendment was to change the name of "Credit Associations" to "Credit Unions." The amended law states that a cooperative credit association shall cease to be a cooperative credit association and to become and be a credit union under the provisions of this act. The Nebraska Credit Union League will be glad to advise you as to the details involved in making this change-over.

Recording Borrowers and Endorsers

QUESTION (FROM BRITISH HONDURAS):

I would appreciate finding out what system is used for keeping a record of persons who have undersigned for a loan. I experience a great difficulty as a person may sign for more than one member and all the time they are repaying and reducing their indebtedness with the union.

ANSWER:

Ledger sheet, form No. 56, provides a space for the recording of obligations assumed by a member in the credit union both as endorser and borrower. This same kind of record is available on a CUNAdex card, form No. 566.

Borrowing by Trustees

QUESTION (FROM NEW YORK):

Under what circumstance can a trustee borrow against shares in a trust fund in a Federal Credit Union?

ANSWER:

In a circular letter issued by the Supervisory Authorities, FCU No. 47, February 12, 1941, they say:

"Under no circumstances should a Federal credit union knowingly allow a trustee to use trust funds for his own personal benefit; neither may a trustee pledge the shares over which he is trustee as security for a personal loan from the credit union; nor may he borrow as trustee unless he is empowered to do so by the terms of the trust agreement."

Borrower Approaching 70

QUESTION (FROM ILLINOIS):

A borrower in our credit union which carries Cuna's borrowers protection insurance is approaching age 70. If his loan is not paid up by the time he reaches that age, is or is he not insured after that age?

ANSWER:

Under the present Loan Protection contracts, death benefits cease when the borrower attains age 70 under the AA and AA-WD Contracts and age 65 under the A and A-WD Plans. Disability benefits under the present contracts cease at age 60. The above age restrictions do not apply on loans granted prior to May 1, 1944, with the exception that to be eligible for disability benefits, the loan must have been granted before the borrower reached age 60.

Automobile Insurance

QUESTION (FROM TEXAS):

I would appreciate your sending me all the information available in regards to the automobile insurance plan as offered by the Employers Mutual Insurance Company of Wausau, Wisconsin, and approved by the Executive Committee of CUNA.

I feel sure there are several of our local credit unions, who are members of our chapter, having a need for this information. I would like to discuss this matter at a chapter meeting in the near future.

ANSWER:

The Credit Union National Association has suggested that the various state leagues seriously consider writing casualty and fire insurance for credit union members through the Employers Mutuals of Wausau, Wisconsin. Employers Mutuals has for several years furnished this service to the individual members of credit unions affiliated with several of our state leagues. This service has been entirely satisfactory. We wish to establish statistics with regard to losses suffered in these lines and can only do so if the business is concentrated with one company.

This program has been streamlined in order to require but little time on the part of the person (usually the treasurer) who is chosen by the credit union to act as insurance advisor. This person becomes a representative of the company and is authorized to bind coverage and provide his mem-

bers with this service. In this way the credit union is protected against liabilities it might otherwise have.

After writing the applications they are recorded in the manual and are sent to the policy-writing office of Employers Mutuals in a business-reply envelope. The policies are issued for each member, with a copy for the credit union's files. The policy is a standard form and a loss-payable clause is attached in each instance. The company assumes the responsibility of renewing the policy so the credit union is relieved of considerable clerical work in getting loss-payable clauses and following up renewals. The member receives better coverage than he can secure elsewhere. He has his choice of coverage and may have complete coverage under our policy. The rates are standard with a dividend saving to the member which is 25 percent on comprehensive and 20 percent on all other lines.

The premiums are paid in cash or through a credit union loan. Once a month a statement is issued listing all policies written during the month. This is sent in duplicate to the credit union insurance advisor. One copy is to be returned with a check and the other is for the credit union's files. At the request of the leagues using the plan the Employers Mutuals has set up a Credit Union Insurance Department. All premiums collected and losses paid are kept separate. Reports are made once a year to the leagues and credit unions. Safety posters and other materials are sent out to the credit unions from time to time.

During more than three years of operation no dispute has arisen over claim settlements. Should a dispute arise involving damage to a member's car, the league insurance committee may decide the amount of damage. Their decision is final. Under this program it is up to the credit unions to select the risks to be written. Members are also protected against indiscriminate cancellations.

Disability Benefits

QUESTION (FROM ONTARIO):

If a member receives benefits under the disability clause of the Loan Protection contract and subsequently recovers could he, by refund of the amount of benefit received, be covered again?

ANSWER:

If the CUNA Mutual Insurance Society has paid a claim because of total and permanent disability and the insured borrower recovers and reimburses the insurance company in the amount of the claim, he is again eligible for insurance.





**Ministers' concern over welfare of their congregations,
plus set of circumstances, lead to fine rural credit union**

BEGINNINGS and causes are always difficult to get at. In this case there seem to be two lines of development that converged. But both began in the same place—the little town of Columbia, N.C., which is the home of the Light of Tyrrell Credit Union. (See *BRIDGE*, July 1945, page 148.)

"Mr. Dean gave the Rev. Stallings a book," says one person in explaining how it all started. Mr. Dean was the principal of the Tyrrell County Training School and founder of the credit union and cooperative in that community. The Rev. Stallings, who lives in Edenton, preaches in Columbia. His interest in improving the economic status of his people had been of long standing. It was, however, when Mr. Dean "gave him a book" that he began to plan toward a credit union.

A second explanation of how it started says that the Rev. Tillett, also of Edenton, was conducting a revival at Columbia. He stayed at the home of a young woman who was planning to go to summer school for further education. She said she could tell him all about the credit union idea. She did. And the Light of Tyrrell began to be dimly visible in a town thirty miles away.

Studying and Planning First

The two ministers who had become interested talked with a third—the Rev. E. S. Parker who is now business manager of the co-op store which was organized three years later. There was much spade work to be done in making people understand the principles of self-help on which this idea was based: "No one can bring us into freedom but ourselves, Government may help. Other groups may help for various reasons. But not until we work together, cooperating with each other for the good of all, do we find that within ourselves we have the answer to our problems."

This article is condensed from a bulletin in the New Dominion Series published by the Extension Division, University of Virginia, Charlottesville, Virginia.

Each of these ministers began to talk with people. They talked with two or three who might happen to be together or they "buttonholed" individuals on the street. They did not seek out "important" or "influential" people, for they were convinced that the strength of cooperation lies in the widespread interest of the "little folk."

They met with much skepticism and some opposition. They had to face the fact that previous ventures in banking and insurance in their community had failed. People had lost what they had put into these ventures. Now it was necessary to convince them that the proposed credit union was sound. The best argument, leaders say, was to point to the concrete evidence in the neighboring Tyrrell County.

Ready for Action?

The talk began in the summer of 1941. In the fall, a few people consented to come to a meeting. It was held in a funeral home, and people from all denominations were invited. This small group continued to meet for study and discussion until June, 1942. "The book" which Mr. Dean had given to the Rev. Stallings and other literature about credit unions and cooperatives furnished material for study.

In May members of the group felt that they were ready to do more than talk. They invited the State Superintendent of Credit Unions "to come down to organize them." They had at that time about a dozen informed persons and a total capital of less than \$40. The superintendent was, in the words of one member, "not sufficiently impressed." Their apparent lack of enthusiasm was more responsible for the failure to impress him than their lack of funds.

They continued to meet. In August they invited him again. Their capital had doubled—and they succeeded in convincing him that they were really serious. They were duly organized as the Chowan Credit Union under the Credit Union Division of the North Carolina Department of Agriculture. To the \$80 previously collected, they added about \$100 the night of the or-

ganizational meeting.

Business Develops Slowly

One of the enthusiastic supporters of the study group started things off by borrowing \$15 to invest in a business venture. There followed two or three \$25 loans but business was slow. People were still skeptical of the good faith of the organization. Then came the dramatic case needed to convince the public.

A young man, who had the respect of the community, had been unable to meet a payment on his car. Now unless the entire amount due could be paid, he was to lose the car. He asked the credit union to advance the \$150 he needed. The moment had come for the organization to prove itself after all its talking. There was much less than \$150 in its treasury. Nevertheless this opportunity must not be lost. One member went from house to house telling the story. Enough people bought shares to make up the amount needed for the loan. The young man's car was saved, and attitudes toward the credit union changed.

Success Brings More Success

Membership increased rapidly. Requests for loans kept pace with growing capital. The report given at the second annual meeting was so impressive that \$600 came in that night from those present. Now the less-than-four-year-old credit union has assets of \$75,000. More than \$10,000 of this is in bonds and more than \$6,000 in cash. The latter, however, will go into action almost immediately, for the credit committee has already approved a new \$5,000 loan for building a home. The building will begin as soon as materials are available.

Services Rendered

During its existence the credit union has made loans ranging in size from \$15 to \$5,000. The majority are small and for a short time. The one for \$5,000 however, was for a five-year period. Payments and interest come in weekly, and the money becomes available again for more loans. Though the interest rate is low in accordance

with credit union principles, members are impressed by the way their money makes more money for them. In one month interest alone amounted to more than \$600.

Membership is open to "residents of Edenton and Chowan County and organizations of such persons." Edenton has a population of 6,000 about 50 per cent of whom are Negro. Town and county together have a total of about 5,000 Negroes. They earn their livings on the farms, in the peanut factory or at the naval base. They are relatively prosperous. But, like everyone else, they sometimes need ready cash. Credit has not been easily available. Interest rates have been high. Now 680 individuals are members of the credit union and may use its services.

Organizations were at first slow to put their money in this "people's bank" because of their previous losses. Its successful history and sound business management have convinced most of them. They now use it both as a place to put their idle funds to work and as a resource in their own times of need. Several churches, for example, have borrowed for new buildings or for repairs to old ones.

Loans to individuals cover a wide range in purpose as well as in size. Education looms large in the total number. This is gratifying to the leaders since it was a loan for education purposes to a member of the Light of Tyrrell Credit Union that was the inspiration of this movement. Others have borrowed to save their farms from foreclosure, to repair their homes, to build new homes, to get needed medical or dental care, to invest in business. Two loans have been for the purpose of starting stores—"one of these our own cooperative store," the secretary reports proudly.

The credit committee, composed of three members including the county agent and teacher of vocational agriculture, make it their business to know their borrowers and work with them. This committee approves small loans. Requests for large amounts, together with the committee's recommendations, are referred to the directors at their regular monthly meetings.

Purpose of loan, character of the borrower, and his ability to repay are given careful consideration by the credit committee. A plan for weekly payments provides opportunity for regular contacts with borrowers and for a kind of informal educational program. These payments are made at the organization's modest office which is presided over by the Rev. J. E. Tillett, one of the two ministers who started the program.

Help with planning a general budget may be given in order to assure

payments as they fall due. Thus people learn not only to use credit wisely but also to plan expenditures in relation to income. This may account, to some degree, for there not having been a single "bad debt" in the history of the credit union. This is true in spite of the fact that the credit committee has several times accepted "poor risks" turned down by the banks and referred by them to the credit union.

Thus individuals have helped themselves through the credit union. They have learned the value of pooling their resources. They have learned to manage their personal affairs in a businesslike way. They have learned to manage a cooperative business venture. They are now applying the same principles to the "People's Consumer Mutual Association, Inc." and are meeting with the same satisfying success.—J. C. O.

Compare Favorably

THE PROGRESS of federal credit unions operated by Negroes compares very favorably with that of all federal credit unions, a study recently completed by the Federal Credit Union Section reveals. Following are highlights taken from the study (figures are as of December 31, 1945):

Of all Federal credit unions chartered, 72 percent are still operating; 82 percent of the Negro groups are operating.

All Federal credit unions have 35 percent of their potential membership; Negro credit unions have 31 percent.

All Federal credit unions have charged off 0.15 percent of loans granted; Negro groups have charged off an even lower figure—0.11 percent.

All Federal credit unions shareholdings total \$140,613,962—an average of \$37,427 per credit union; \$116 per member. Negro federal credit unions have \$948,914—an average of \$11,163 per credit union; \$64 per member.

At the time of this report there were 3,757 Federal credit unions, of which 85 were operated by Negroes.

Congressman Patman

At Dallas Chapter Dinner

"I HAVE COME TO DALLAS at your invitation because I am in favor of credit unions and I want to do what I can to help them. I don't want to see them restricted. I do want to see them grow and increase in number." This was the theme of remarks made by Congressman Wright Patman of Texarkana, Texas, guest of honor at a dinner meeting of the Dallas Credit Union Chapter on December 16, re-

ports J. M. Barry, managing director Texas Credit Union League.

Congressman Patman was introduced by Harold Moses, CUNA vice-president for the Southern District. Mr. Moses paid tribute to the Congressman for his efforts in sponsoring the original Federal Credit Union Act and later amendments, including the recent amendment which increased the unsecured loan limit to \$300.

Mr. Patman referred to the unanimous report made during the last session of Congress by the Select Committee on Small Business, of which he was chairman. He charged that the organization whose program was undertaking to influence public opinion ostensibly in favor of the taxation of cooperatives was misleading the public. The investigations of his committee disclosed that cooperatives pay the same taxes as corporations, partnerships and individuals and that there was no basis whatsoever to the charges of tax favoritism. He stated that the effort behind the group was really aimed at destroying credit unions and cooperatives and that the heads of the organization and their employees were now obtaining huge sums from small businessmen primarily for their own advantage.

Only a small number of farmer cooperatives organized under the Capper-Volstead act of 1921 are affected by the tax proposals, Patman said, and the present committee is spending more money in Texas alone than would be obtained by the taxes they propose.

"Credit unions can play a significant role in this country if only for what they do to loan sharks," he said, "and credit unions have gone through the greatest war and the greatest depression in history without one case of substantial loss. No other financial organizations have such a fine record. I appreciate credit unions and the people who participate in credit unions. Usually they are persons who have thought considerably about the welfare of the people and who are willing to give their time to doing something about their conclusions."

One-A-Day Plan

ONE NEW CREDIT UNION PER DAY is the goal of a drive being initiated by the Pennsylvania Credit Union League. Other objectives of the drive are:

2,500 credit unions in the state by 1955.

One credit union for each 5,000 people.

One out of every 12 persons in the state a credit union member.

Average savings per credit union member \$225 or more.

IDEA



EXCHANGE

Here are some ideas credit unions have already used successfully plus some BRIDGE suggestions which you may want to try out as-is or adapted to meet your particular needs.

As a matter of fact, credit unions and credit union organizations affiliated with Cuna may list any BRIDGE items freely for their publications and releases. All others should observe the copyright and obtain written permission from BRIDGE before reprinting material. Suitable credit should, of course, be given in the case of signed articles and illustrations. BRIDGE need not, however, be mentioned as the source of the material, although where it seems suitable to do so, this will be appreciated.

Suggestions for Use

We hope credit union officials will find these suggestions helpful in preparing informational materials about the services their credit union offers their members. These may be used—either without change or adapted to special uses—in payroll inserts, circulars, blotters, posters, bulletins, advertisements, company house organs, or other appropriate mediums at hand.

The illustrations may be traced on mimeograph stencils, reproduced directly by a photo-offset process, or made into linecuts for the standard letterpress printing.

Each release should, of course, also contain full directions as to when and where credit union service may be obtained. The name of the credit union, its location, its business hours, and any other helpful information should be given.

Please

BRIDGE would greatly appreciate receiving copies of any and all publications credit unions issue, so that it may know what credit union people are finding most effective, and so that it may pass on to others good new ideas developed.



☞ He that overcomes by force hath overcome but half his foe.—Milton.



THEIR HEALTH. their education, is of first importance.

Credit union savings and credit union loans.

Help many parents

Give their children

The best of care.

Your credit union is here to serve you.

Service Is a Habit

VICTORIOUS ROMAN LEGIONS, left behind to rule a defeated Spain, built an aqueduct in Segovia. This was in 109 A.C. And for 1,800 years—sixty generations—that aqueduct carried sparkling water to hot and dusty Segovians.

About the turn of the twentieth

century, thoughtful Spaniards decided that the aqueduct should be preserved for posterity and so should be relieved of its age-old labor.

They laid modern pipelines and stopped the flow that for years had gushed and gurgled overhead in the aqueduct.

Shortly thereafter the aqueduct began to fall apart! The blazing sun dried the mortar and made it crumble. Its stones sagged and fell. Soon it lay in ruins.

What ages of service could not destroy, idleness rapidly disintegrated.
—Albert Trusell in POINTS

How Safe Is Your Money With Your Credit Union?

Look at the record: Over \$650,000 loaned in the past ten years—less than \$100 charged off as uncollectible and this was taken from the reserve for bad loans which amounts to more than \$3,500. The Federal Deposit Insurance Corporation examines our books annually and supervises our operations. All persons handling money are bonded.—CREDITORIAL, Oil-O-Matic Federal Credit Union, Bloomington, Illinois.

The Biggest Bill

The stork is the bird with the biggest bill. Let your credit union bring it down to your size.—Hamilton (Ontario) Municipal Employees CREDIT UNION NEWS.



Idea used successfully by Van Nest Employees Federal Credit Union, Bronx, New York

Taxes
Fuel

Winter
Clothes

Repairs
Home . . . Car

Insurance
Automobile

Your CITY HALL CREDIT UNION Can Help You With those Extra Expenses!

The most expensive season of the year is now here. Perhaps you too, like many other City and County Employees, could use some extra cash to good advantage at this time.

Or perhaps you are buying a car, refrigerator, radio, washer, etc., or improving your home and can use some extra cash.

Whatever your financial problems may be - your CITY HALL CREDIT UNION can help you solve them. You can get a LOW COST LOAN for any worth while purpose and the chart below will show you the small monthly payments and the ease with which a loan can be repaid. BEFORE YOU BORROW - COMPARE THE COST OF A CITY HALL CREDIT UNION LOAN WITH OTHERS and see what you save. And don't forget - your Credit Union now pays the cost of Life Insurance on your loan - in the event of death your loan is paid by the Insurance Company. You pay only principal plus the low interest cost - no other charges.

Come in and see us, we're open from 10 to 6 every day, except Saturdays 9 to 12. Or better and easier yet, just phone us, Main 1638, and let us tell you more fully about YOUR CREDIT UNION.

Very sincerely yours,

CITY HALL CREDIT UNION

138 City Hall Main 1638

P.S. Your Credit Union is also an ideal place to keep your savings.

SEE WHAT YOU SAVE

CASH YOU GET	Monthly Payments for 12 Months	Total Cost To You For 12 Months
\$ 60.00	5.33	3.90
\$100.00	8.88	6.50
\$200.00	17.75	13.00
\$300.00	26.63	19.50

Three Types of Loans . . .

- Signature Loans
- Car Mortgage Loans
- Co-maker Loans

This message, printed on letter-size paper in red and green ink, was distributed by City Hall Credit Union, Minneapolis, Minnesota, to kickoff drive for new business.

Why Save?

"The saddest words of tongue or pen are simply these—It might have been."

This old saying was never more true than when it is applied to YOUR SAVINGS account. The habit of regularly saving a portion of your paycheck is certainly one to be desired but it is entirely up to you. The amount you save each and every payday is very important to yourself and to your family, so build up your credit union share account and start now. Don't make the mistake of saying to yourself that since you can't save a large amount it isn't worthwhile to save anything. It is saving regularly that counts, not the amount of each deposit, so start TODAY and every payday to build up your share account with—YOUR CREDIT UNION.—Longview Fibre Company Employees Federal Credit Union, Longview, Washington.

You Did Yourself a Favor

YOU DID YOURSELF A FAVOR WHEN YOU JOINED THE CREDIT UNION—NOW DO SOMEONE ELSE A FAVOR! The enclosed membership and payroll deduction forms should be handed to a fellow worker who is not already a member. After the forms are filled in and signed they should be mailed or delivered to the CREDIT UNION OFFICE. DO IT TODAY!! Your Credit Union is still the largest Federal Credit Union in the United States and with YOUR continued help we can maintain our leadership indefinitely.—This message, printed in red ink on a white card, was distributed to members of the East Hartford Aircraft Federal Credit Union, East Hartford, Connecticut.

May We Help?

The Portland Teachers Credit Union is ready, able, and willing to render financial assistance to any School District Number One employee. You

may be new in Portland and need money to pay your first rent, or you may now be ready for retirement at sixty or sixty-five; we have an available service to fit your individual need.

The credit union is a local cooperative organization owned and controlled by members who are school employees. We encourage small regular savings on the part of members. We advance small sums or large amounts. We finance the purchase of homes and automobiles. Our interest charges are nominal and loans are insured without additional cost.

Bring your problems to our office. We are open for your convenience each school day in the afternoons and on Saturday until 1:00.

505 Education Center Building
220 S. W. Alder Street
Portland 4, Oregon

Atwater 1535

—Portland Teachers' Credit Union,
Portland, Oregon.

Wise Men Say—

☞ Be careful how you live; you may be the only Bible some people will ever read.—A sign hung in a college YMCA room.

☞ If you buy a bad thing you will soon buy again.—Irish proverb.

☞ He reminds me of the man who murdered both his parents, and then, when sentence was about to be pronounced, pleaded for mercy on the grounds that he was an orphan.—Lincoln.

☞ He who says there is no such thing as an honest man, you may be sure is himself a knave.—Bishop Berkeley.

They Are Low

They Are Really Low

They Are Positively The
Lowest,

I Say . . .

THE LOWEST NEW CAR
RATES IN CALIFORNIA

For New Cars and Other
Loans

See Carroll Harpham, Credit
Union Treasurer

Room 101A

City Hall

—The Pasadena (Pasadena, California, Municipal Employees Federal Credit Union).



Not As Bad As It Looks

That unexpected bill is not as bad as it looks, if you have a credit union share account to fall back on. And if you need more money don't forget the friendly, handy, low-cost credit union loan service.

Save regularly in your credit union. Borrow wisely from your credit union. We are here to serve you.

He Was Thirsty

A traveling salesman was kept awake because the man in the berth above him kept moaning over and over again: "Oh, am I thirsty! Oh, am I thirsty!" The salesman realized that the only way he could get some sleep was to satisfy the gent above. So he wearily got out of his berth, shuffled toward the head of the car, filled a paper cup with water, and returned to hand the drink to the gent in the upper berth.

"Here!" said the salesman, handing the water to the parched man in the upper. With that the salesman settled back to bed feeling that at last he could go to sleep without having the gent above wail him awake.

There was a pause for a while and then it began. "Oh," moaned the guy in the upper, "was I thirsty! Oh, was I thirsty!"

This only goes to prove that some people just can't be satisfied. We acknowledge that the credit union isn't the answer to everyone's financial problem. But we do feel that it is the answer to the problems of the average person.

It is not a cure-all for the ills of the world, but it is a step toward genuine economic democracy. Instead of promising something for nothing, it teaches that only by practicing thrift can you get something worthwhile. Instead of ranting against "big business" and "financial interest" a credit union demonstrates the essential simplicity of banking and finance, showing how small amounts deposited by many individuals can grow and accumulate until many thousands of dollars are available as working capital. This money belongs to the members, and

can be used for any purpose they choose, with due regard to legal safeguards. Usually it is loaned out to members at a very low interest rate, but whatever the members do with it, it belongs to them, and they do not have to depend upon loan companies and other institutions for financial help in an emergency. If you need extra money to make your vacation a success, TRY A CREDIT UNION LOAN.—CAMEO NEWS, Cameo Federal Credit Union, Springfield, Ohio.

You Never Know When Your Membership Will Come In Handy

"I joined the credit union eight years ago, and I never expected to borrow any money," a teacher told Treasurer Henry Claywell this summer, "but my husband and I have had some tough luck and we need to borrow \$400 some place. We wondered if the credit union can make us a loan?"

This teacher was given faster serv-

ice than she expected and she was all smiles as she received the money. "Now I know the credit union is a fine thing, and I think every teacher should be a member! You never know when your membership will come in handy!"

This is just one of many examples of service that could be cited. The teachers have a \$300,000 business which is owned and operated by 1,105 members. It is true that many have never had a loan, but members get more interest on their savings in shares than if they kept their money in a savings bank.

Nearly 400 teachers are borrowers at present, and they are insured against loss incident to death to age 70 without cost.

To become a member, a teacher, secretary, school clerk, or bus driver pays a 25-cent entrance fee and buys at least one \$5 share.—CREDIT UNION COURIER, published by Hillsborough County Teachers Credit Union, Tampa, Florida.

PORTLAND POSTAL EMPLOYEES CREDIT UNION
NOW ACCEPTING NEW MEMBERS
Join Your Credit Union
AND
Save Money!

- 1 CONVENIENT SAVINGS
- 2 LOANS FOR LESS
- 3 DIVIDEND PARTICIPATION
- 4 INSURED LOANS.
- 5 INSURED SHARES TO \$1000

CONTACT _____ FOR APPLICATION

PORTLAND POSTAL EMPLOYEES CREDIT UNION
201 Post Office Building
(Mailing address P. O. Box 3334)
Portland 8, Oregon

Hours
3:00 P.M. to 5:30 P.M. daily except Saturday
10:30 A.M. to 5:30 P.M. payday and the day following



Okay for Captain Kidd

Very likely the best place for Captain Kidd to store his ill-got wealth was in a hole—

Six feet down

On a lonely island

Beside a bottomless spring

Ten paces from a queer shaped tree

Beneath the bones of the crew, whom he shot after they had fought for the chest of pieces-of-eight, and dragged it to the spot, and dug the six-foot hole, and placed the chest in the hole (Captain Kidd had to cover them and it up himself—he *could* work if necessary).

But for the hard-earned money you wish to save, there's nothing like your credit union. It's handy. It's safe. It's friendly. It's here to serve you.

Least Expensive

Credit union loans are the least expensive.

Compare these rates . . .

Need \$50.00 to help pay some bills?

If you repay it in five monthly installments of \$10 (plus interest) it will cost you only \$1.50. No other place in town will offer you as good a deal as this.

If your budget is running a little tight and \$10 a month cramps your style, repay the \$50 in ten monthly installments of \$5 (plus interest). This will cost you \$2.75. Let us know if you can get money as cheaply as this any other place.

Want to buy a new refrigerator costing \$150? If you have \$50 for the down payment, come in and get \$100 from your credit union and pay cash, saving 10%.

Repaying the \$100 in ten monthly installments of \$10 (plus interest) will cost you \$5.50.

Would you like to make repairs to your house costing \$500? We'll loan you that amount. Repay in twenty-four installments—twenty at \$21 (plus interest) and four at \$20 (plus interest). This two year loan will cost you \$62.10.

Does the salesman have your name on the list for a nice shiny new \$1500 car? If you have \$500 to pay down, we'll help you buy the car. Take fif-

teen months to repay. Make ten payments of \$67 (plus interest) and five payments of \$66 (plus interest). It will cost you \$79.75. There is no service charge or investigation charge tacked on to your expenses when you borrow from your credit union.

THE INTEREST IS ALL YOU PAY
ALKALI WORKERS' FEDERAL CREDIT
UNION

Office hours: Personnel Office,
Tuesday and Thursday evenings, 4:30.

\$25.00 FOR 3 MONTHS COSTS 49c!!!!!!

THAT'S ALL!!!!!!—Alkali Workers' Federal Credit Union, Corpus Christi, Texas.

Convince Yourself

Mr. John Little Doe

One Random Street

Sterling, Colorado

Dear Mr. Doe:

Don't read any farther unless you borrow money once in a while! (And you're darned unusual if you don't!)

But if you do have to borrow once in awhile, you'll be interested in this.

You can get a loan here at a really low cost. Now don't let some finance company kid you with a lot of talk

about "low rates" or "low percentages." Just ask them to show you in dollars and cents how much the loan is going to cost. Then get our cost, and compare!

Here are some typical loan costs at the Credit Union:

\$50 paid back in 2 monthly installments costs \$0.75.

\$100 paid back in 12 monthly installments costs \$6.50.

\$1,000 paid back in 15 monthly installments costs \$80.

Check for yourself—convince yourself—that the credit union does put out lower cost loans.

Don't forget that \$10 saved on interest charges on a loan will buy just as many groceries as \$10 more in a pay check.—R. E. Groce, treasurer The Sterling Community Federal Credit Union. (Actual names and addresses were used in addressing letter.)

Short Course in Economics

Broke: There's one thing I don't understand about banking.

Bloke: What's that?

Broke: They'll lend you all the money you want just as long as you can prove you don't need it.

Frankly, this is a
LOW-COST REMINDER
of the
LOW-COST LOAN SERVICE
furnished by your credit union
(It's handy and confidential too.)

This can be quickly hand lettered, or it can be economically set up in type.



What, Oh What, To Do In February

☐ New board of directors should review policies of old board for possible changes to meet current conditions. For example, should limitations on share deposits and loans be changed or removed? Should changes be made in office hours or salaries paid employees? Should changes be made in surety bonds carried? Should delinquent loan control procedure be strengthened? Should new committees be set up? Should committee personnel be changed? New board members may have valuable suggestions and contributions to make, and should be encouraged to do so. On the other hand they should not forget the value of tact and of respect for the longer experience of their fellow directors.

☐ Promote savings for summer vacation, for next year's fuel, for next Christmas.

☐ Promote loans for spring repairs, for new car, for doctor bills.

☐ Be sure you have in file written statement of exemption from payment of federal income tax. State chartered credit unions may obtain from their league offices or from Cuna a special form to use in requesting this statement from the Collector of Internal Revenue. Federal credit unions need not make request, since that is done for them as a matter of course by the FDIC. The statement of exemption need be obtained only once, but it should be kept on hand, and should be obtained before Form 990 is filed with the Internal Revenue Collector. All credit unions in the United States must file Form 990 each year, by May 15—or the 15th of the fifth month of the fiscal year.

Operating Aids

Of Special Interest in February

The following items, which may be obtained from your league's supply department or Cuna Supply Coopera-

ON LEFT is new Cuna Supply poster 759 (Flyer 759-F). BELOW is new Cuna Supply poster 760 (Flyer 760-F).

Both are one-color. The posters are standard size, 10½ by 14 inches; sell for \$2.40 per hundred less 20 percent to member credit unions. The flyers are letter size, 8½ by 11 inches; sell for \$1.10 per hundred less 20 percent discount to member credit unions.

A flyer (766-F) has also been made of the credit union promotion feature on the back cover of the December Bridge. These also sell for \$1.10 per hundred less 20 percent to member credit unions.



tive, Madison 1, Wisconsin, are of timely interest. (Unless marked "net" prices are subject to 20 percent discount for league members.)

☐ Form 17—Credit Union Calculator (interest and dividend tables in strong binding); \$2.25 each.

☐ Poster 632—Reporting for Tax Duty, Sir! 5 cents each.

☐ Poster 609—Pay Doctor Bills. 5 cents each. Miniature copies of this may be obtained for insertion in payroll envelopes and similar purposes at 35 cents per 100. (Ask for Insert 609-A.)

☐ Cuna Calendar Banks. Attractive plastic; coins deposited keep calendar up to date. \$1.95 each.

☐ Cunadex accounting systems. Now is the time to get your record keeping organized for the expansion ahead.

Marion, The Sec.,

Reminds Us That

☐ Minutes of all meetings should be typed if possible.

☐ Minutes should be written on good quality paper as minutes are considered permanent records.

☐ Minutes should be signed by both the president and the secretary upon approval.

☐ Minutes should be filed in a fire-proof place.

☐ Changes in directors and officers should be promptly reported to both the League and the Banking Commission.

☐ Directors, who fail to attend meeting should be marked "absent" or "excused" as the case may be.

☐ Minutes should be filed up-to-date and in chronological order.—WISCONSIN CREDIT UNION NEWS.

☐ A good laugh and a long sleep are the best cures in the doctor's book.—Irish Proverb.

Hurry It Along

J. A. MILLER, treasurer of the New Kensington, Pa., School Teachers and Employees Federal Credit Union, has the distinction of being the most prompt among the 3,776 federal credit unions in sending to Washington the annual Financial and Statistical report for 1946, reveals C. R. Orchard, head of the Federal Credit Union Section. Mr. Miller's report reached Washington on January 3.

A. L. Wilson, treasurer of the Hamilton County Teachers Association Federal Credit Union, in Cincinnati, Ohio, mailed his report so that it reached Washington on the morning of January 6. So he takes second place in this great marathon race.

With his announcement of these winners Mr. Orchard included the following plea:

"If by any chance your annual report is as yet unmailed, it is urged that you hurry it along.

"Your promptness in reporting will make it possible for our friends in state and provincial capitals and in Washington to speed up their tabulations and thus return to all interested persons a correct picture of current credit union progress."

If

A FAMILY IN HUNGARY would have received \$800 in cash for a Christmas gift if Nicholas Parcsetich had accumulated his savings in one or both of two credit unions, instead of in his room.

The money which this resident of Calgary, Alberta, might have entrusted to either the Inglewood Credit

CUNADEX

visible record-keeping specially
designed for credit unions

For most successful, easy credit union operation order CUNADEX and all credit union forms, supplies and promotional materials from your league if it handles supplies or

Cuna Supply Cooperative

Madison 1, Wisconsin

Union or the Burns and Company Employees Credit Union was lost in a fire which broke out in his room while he was away. Ironically the Inglewood Credit Union had its offices in the same building, but it was able to get all its records to safety and its cash was adequately protected by a safe.

More than the loss of an estimated \$3,000 worth of furniture and clothing, Mr. Parcsetich felt the loss of the \$800 which he had planned to send his family.

"My poor family," he cried. "They have been bombed and pushed around by the war, and now they will have nothing for Christmas."

Legislative Roundup

Addendum

THE 1946 CREDIT UNION LEGISLATIVE ROUNDUP which we published on page 8 of the November BRIDGE did not include a report from Manitoba. P. A. Frossais, supervisor of Manitoba credit unions, noticed the lack and has kindly contributed the following report of highly notable credit union activities.

Until 1946 the credit unions of Manitoba were incorporated under The Companies Act. This was considered unsatisfactory since credit unions were treated as Joint Stock companies and sections dealing with credit unions were fairly scattered through the Act.

In 1945, therefore, the Credit Union Federation requested the Government to enact a special Credit Union Act completely separate from The Companies Act. This request was favorably considered by the Government and "An Act respecting Credit Union Societies" was passed at the 1946 meeting of the Legislature. It was assented to on April 13th, 1946, and became in force by Order-in-Council on May 15th, 1946. Much credit is due

Honourable D. L. Campbell, minister of Agriculture and Immigration, under whose department credit unions are organized.

Although not perfect the new act is a great improvement over the old set-up and gave us an opportunity to make certain amendments. Among these are the following: Disposal of earnings, duties of the Supervisor, filing of annual returns with the Supervisor instead of the Provincial Secretary, par value of shares definitely set at \$5, use of a passbook for members and procedure when such passbook is lost, voting of minors, dissolution and winding up, etc.

The most important matter, however, is the fact that credit unions in Manitoba are no longer part of The Companies Act, and have now a status separate from Joint Stock companies.

75 In December

By WILLIAM B. TENNEY
Assistant Director of Organization
Credit Union National Association

SEVENTY-FIVE NEW CREDIT UNIONS were reported in December—a wonderful Christmas present—the largest total of any month during 1946. We hope this indicates a big year in 1947. Total for 1946 is 488, a substantial increase over the 332 total for 1945.

Illinois came far into the lead during December with 33 credit unions. Texas was second with six, while California and Pennsylvania were sharing third place with four each. Leaders for the calendar year are Illinois, 48; Ontario, 39; New Mexico, 29; North Carolina, 24; California and British Columbia, tied with 21 each.

The Organization Drive

The December total gave a healthy boost toward the 1,000 new credit union goal. However, with two-thirds of the time gone by only 35 percent of the job has been accomplished.

Four months and 650 credit unions to go. We can still hit the top if we try.

Following are the scores by districts and leagues through December 31:

CANADA

Quota, 200; 56 achieved, or 28 percent.

Alberta, 14; British Columbia, 10; Manitoba, 3; Ontario, 18; Saskatchewan, 11. None reported from New Brunswick, Nova Scotia, Prince Edward Island, and Quebec.

NORTHEASTERN

Quota, 125; 33 achieved, or 26 percent.

Connecticut, 12; Massachusetts, 4; New York, 11; Rhode Island, 5; Vermont, 1. None reported from Maine and New Hampshire.

EASTERN

Quota, 150; 43 achieved, or 25 percent.

District of Columbia, 3; Maryland, 1; New Jersey, 9; Ohio, 17; Pennsylvania, 9; Virginia, 4. None reported from Delaware and West Virginia.

CENTRAL

Quota, 150; 72 achieved, or 48 percent.

Illinois, 45; Indiana, 12; Michigan, 8; Wisconsin, 7.

MIDWESTERN

Quota, 125; 27 achieved, or 22 percent.

Iowa, 2; Kansas, 4; Minnesota, 7; Missouri, 10; North Dakota, 1; South Dakota, 3. None reported from Nebraska.

SOUTHERN

Quota, 125; 66 achieved, or 53 percent.

Alabama, 6; Arkansas, 1; Florida, 11; Georgia, 3; Kentucky, 4; Louisiana, 7; Mississippi, 1; North Carolina, 11; Oklahoma, 5; Puerto Rico, 1; Tennessee, 3; Texas, 13. None reported from Canal Zone and South Carolina.

WESTERN

Quota, 125; 53 achieved, or 42 percent.

California, 17; Colorado, 2; Hawaii, 2; Idaho, 2; Montana, 2; New Mexico, 23; Oregon, 1; Washington, 4. None reported from Arizona, Nevada, Utah and Wyoming.

Volunteer Organizer Contest

No change has been reported in the Volunteer Organizer Contest. Arthur M. Kahler of Appleton, Wisconsin, still leads with three credit unions. There is still time for someone else to win the \$100 bond.

The rules are simple: (1) Notify Dora Maxwell, director Organization and Education Department, Credit Union National Association, Madison 1, Wisconsin, that you are entering the contest; (2) Send her the name of each credit union you organize as you organize it; and (3) on or before March 31, 1947, send her a complete list of all credit unions you organized during the year ending February 28, 1947.

Harmony and Goodwill towards men... the basis of every political establishment.

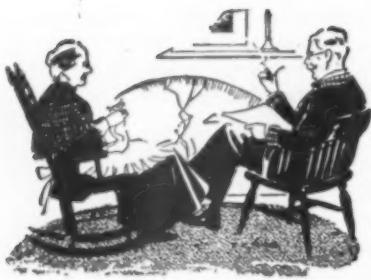
BROTHERHOOD
Pattern for Peace

JOIN THE
AMERICAN BROTHERHOOD

FEBRUARY 16 to 23, 1947.

SPONSORED BY THE NATIONAL CONFERENCE OF CHRISTIANS AND JEWS

We must strive for what the Charter of the United Nations defines as "universal respect for the observance of human rights and fundamental freedoms for all, without distinction as to race, sex, language, or religion."



Once Upon a Time

Twenty Years Ago in Bridge

¶ The Chicago Teachers' Federation appoints a committee to make a study of the credit union and its possible values to the six thousand members of the Federation.

¶ Detroit, Michigan, teachers decide to organize a credit union.

¶ "It has been my pleasure," writes Gertrude Mathews Shelby, writer for National Magazine and executive secretary of the National Committee on Cooperative Banks, "as a representative for various magazines to visit numerous credit unions. There is something more to be found in their offices than good hard business sense and penny wisdom. It is not easily explained, but I have met many who, harrassed by detail and treating the affair as a thorough going business proposition, nevertheless being touched by a flame that shows something fine in the effort. Against the hardness of the commercial money lender this spirit rose in brilliant contrast."

Ten Years Ago in Bridge

¶ The F. E. U. Credit Union serving employees of Wright and Patterson Fields, in Ohio, have about 700 members with shares totaling \$61,000. This credit union was organized in 1930 under written authority of the Attorney General of the State prior to the enactment of the Ohio Credit Union Act.

¶ 123 federal credit unions were organized during January.

¶ "My body is so tired it is almost ready to fall apart and this letter is being written by the light of one candle and we are obliged even to conserve candles, my last candle is going out," writes Louise McCarren, managing director of the Ohio Credit Union League. "This flood is the most devastating and terrible thing I had ever been through. Thousands of our credit union members are homeless, hungry and have nothing left in the world, except what they have on their backs. I have arranged with the banks to loan credit union money to enable them to take care of their members. We are under marshal law and nobody is allowed on the streets without a permit."

Five Years Ago in Bridge

¶ Filene Fund \$150,000 goal is reached.

¶ Credit union league appointments announced: James R. DeLay, Georgia League managing director; Hurst Owen, Jr., Virginia League managing director; B. Latcher Webster, North Carolina League managing director; Alan Lonsdale, New Jersey League assistant managing director; and Richard Archer, Minnesota League assistant to the managing director.

¶ Edward L. Shanney, Boston, Massachusetts and national credit union leader, contributes article which outlines steps to be taken to protect credit union records against air raids.

¶ During 1941 there were 1,107 credit unions organized in the United States, bringing the total to 9,886.

¶ Buffalo railroad men convinced the New York Central management of the value of credit unions. A featured article by Thomas A. Mahoney, director at large of the New York Credit Union League, tells how.

¶ "The possibilities of credit union development in the Northwest are perhaps greater than any of us have realized, and the job is just beginning," writes William B. Tenney, field man in a state by state, province by province review of the area.

'Round About

The Credit Union Movement

¶ Credit cooperatives sponsored by the American Jewish Joint Distribution Committee in Romania, Poland, Czechoslovakia, France and Belgium have enabled some 22,250 persons to resume gainful work since V-E Day. Since the regulations governing the cooperatives state that only one member of a family may be thus assisted, it follows that at least three times this number benefited from the J.D.C. cooperative program.

¶ The much publicized Skokie Junior High School Credit Union in Winnetka, Illinois, was given featured attention in a full-page picture story of student activity sponsored by the school in the rotogravure section of the CHICAGO DAILY NEWS.

¶ A \$25 savings bond was given as a prize at the annual meeting of the Ft. Harrison VAF Federal Credit Union, St. Harrison, Montana.

¶ An article about Telephone Employees' Credit Unions in the Plant Employees' Association of the Bell Telephone Company of Canada notes that there are 200 credit unions operated by telephone employees in Canada and the United States.

¶ Three credit unions in the neighboring towns of High River and Cayley, Alberta, jointly sponsored a float in High River's annual exhibition and

stampede last fall. "Of particular interest in this case," writes Courtney Scott, editor of the BUGLE, published by the Credit Union League of Alberta, "is the fact that while Cayley, like most towns, has a regular, orthodox credit union, High River has two credit unions—one an all-women's and the other an all-men's. We men have to admit that High River Pioneers Credit Union is far superior to most credit unions in which the 'mere men' are permitted to hold membership. Last year, for example, this group of ladies raised, by means of socials, dances, dinners, teas, etc., \$1,400.00—this quite apart from the interest derived from the regular credit union loans. When one considers the size of this credit union, the size of the town in which it is situated, and the fact that the town has two credit unions, one says quite 'spontaneously, 'Remarkable'."

¶ A special meeting of the Lakehead and District Credit Union Chapter (Port Arthur, Ontario area) was held in December, to encourage the development of an expanded credit union program in the area for the coming year. Gordon Smith, manager of Cuna's Canadian office, was the principal speaker. It was estimated that consumer credit granted in the area during 1947 would total \$3,000,000.

¶ George S. Conover received recognition for his seventeen years service as treasurer of the Harmony Credit Union in a recent issue of THE JENKINS CHIMES, published by the Jenkins Music Company, Kansas City, Missouri. His picture and an article about the credit union operated by the company's employees dominated the front page. Mr. Conover is also a leader of the Missouri League, and a member of the Founders Club.

¶ A series of articles about the Burnside Depot Federal Credit Union, Chicago, Illinois, is appearing in "The Union Leader" published for nearly 18,000 employees of Chicago Surface Lines, The Rapid Transit Company, and the Chicago Motor Coach Company. They are written by C. Hoogstraal, treasurer of the credit union.

¶ The St. Paul's Credit Union, Summerside, Prince Edward Island, won the plaque offered by the Prince Edward Island Credit Union League to the credit unions in the province with the highest standing. Special mention was made of the work done by Earl Hickey to bring this credit union's operations to their present business-like basis.

¶ Recent appointment of W. W. Pratt as full-time managing director of Pennsylvania Credit Union League (page 16 December BRIDGE) created a vacancy on the league's board of di-

rectors and on the national board of Cuna. To fill the vacancies William M. Noble, of Atlantic Plant Employees Federal Credit Union, has been appointed to the state board; Rudolph F. Goetz, of the McKeesport Postal Credit Union, to the national board.

¶ Newly elected directors of the Texas Credit Union League are: G. B. Reed, San Antonio Telephone Employees Federal Credit Union; C. W. McCoy, Texas Co. P. A. W. Federal Credit Union, Fort Arthur; A. D. Eady, Humble Employees Wink Federal Credit Union, Wink; and Miss Willie Martin, Goldstein-Migel Federal Credit Union, Waco. Director J. A. Collevain, Humble Employees Houston Federal Credit Union, Houston, was elevated to the league's executive committee. Mrs. Virginia L. Fletcher has just been appointed office secretary for the league.

¶ Memphis, Tennessee, Credit Union Chapter is host to the 1947 Tennessee League annual meeting. With the motto "Lucky Thirteenth Convention" it is planning and promoting "the greatest annual meeting that has been held in Tennessee," writes league secretary Frank May. It has a special red, white and blue letterhead for the arrangements committee.

Coming Events

February 8—Maryland Credit Union League annual meeting, Emerson, Hotel, Baltimore.

February 14-16—Tennessee Credit Union League annual meeting, Gayoso Hotel, Memphis.

February 14-16—Meetings of Executive Committee, Credit Union National Association; Board of Directors, Cuna Mutual Insurance Society; Administrative Committee, Cuna Supply Cooperative; Brown Hotel, Louisville, Kentucky.

March 21-22 or 22-23—Texas Credit Union League annual meeting, Blackstone Hotel, Ft. Worth.

March 22—Kansas Credit Union League annual meeting, Hotel Lamar, Salina.

March 23—Connecticut Credit Union League annual meeting, Hotel Taft, New Haven.

April 11-13—Ohio Credit Union League annual meeting, Toledo.

April 11-12—Alberta Credit Union League annual meeting, Paliser Hotel, Calgary.

April 12—Pennsylvania Credit Union League annual meeting, Hotel Bethlehem, Bethlehem.

April 19—Indiana Credit Union League annual meeting, Claypool Hotel, Indianapolis.

April 25-26—Ontario Credit Union League annual meeting, Prince Edward Hotel, Windsor.

May 9—Annual meeting of Policyholders, Cuna Mutual Insurance Society, Hotel Wisconsin, Milwaukee, Wisconsin.

May 10-11—Annual Meeting of National Directors, Credit Union National Association, Hotel Wisconsin, Milwaukee, Wisconsin.

May 10—Annual meeting of Cuna Supply Cooperative members, Hotel Wisconsin, Milwaukee, Wisconsin.

May 17—Michigan Credit Union League annual meeting, Statler Hotel, Detroit.

September 19-20—Wisconsin Credit Union League annual meeting, Northland Hotel, Green Bay.

Kansas First

THE KANSAS CREDIT UNION LEAGUE is the first league to complete qualification for membership in the Cuna Retirement Savings Plan, although Kentucky has indicated that it intends to, and other leagues have expressed interest in doing so. Organizations now participating, in addition to the Kansas league, are the Credit Union National Association, Cuna Mutual Insurance Society, Cuna Supply Cooperative, and Cuna Credit Union.

Any credit union or organization of credit unions affiliated with Cuna with one or more employees may adopt the plan, which calls for regular deposits to the employee's credit by both the employee and the employer. The extent to which the employee benefits from the employer's contribution depends upon his years of service at time of retirement.

Further information may be obtained by writing the secretary of the Cuna Retirement Savings Fund, Madison 1, Wisconsin.

What a Chance!

"THE FOLLOWING is the actual journal entry for one day's business January 19, 1946," writes C. A. Andrus, treasurer of the City Credit Union of Seattle, Washington.

	Dr.	Cr.
Loans	\$ 529.00	\$ 174.00
Cash	793.00	1,420.00
Other Assets		78.00
Shares	581.00	215.00
Special Reserves		1.00
Accounts Payable		15.00
	\$1,903.00	\$1,903.00

"Please notice that every one of the items ends up with 00, whereas they usually do end with some number of cents, from 00 to 99. Now, take that first debit item, for instance. It could end up 00, or any number of cents, up to 99. That means that on the average, in the long run, 00 will occur once

in 100 days. Same thing with the next item, too; but the probability of both of them ending in 00 on the same day is 100 times 100, or 10,000 days. If we continue with this reasoning (if that's what it is) the likelihood of all 9 of these items ending in 00 is 100 multiplied by itself nine times, or one billion times one billion days. That is two million, eight hundred thousand times one billion years, or 700,000 times the geological age of this old ball on which we live and move and have our credit unions.

"I have recently passed my 60th birthday, and I was just wondering if I shall ever see this entry come out this way again. Believe it or not, Ripley hasn't seen anything yet."



Founders' Club

New Members

SINCE OUR LAST REPORT the following new members have been admitted to the Founders' Club:

Howard E. Cunningham, Jamestown Farmers Union Federal Credit Union, Jamestown, North Dakota.

Jack Bayless, Champaign Postal Employees Credit Union, Champaign, Illinois.

Philip H. Benner, Titan Employees Federal Credit Union, Bellefonte, Pennsylvania.

A. F. Leonard, Santa Fe General Office Railway Clerks' Credit Union, Topeka, Kansas.

What and How

The Founders' Club is a Cuna honorary society of credit unionists who have organized credit unions other than their own.

To become a member one must:

1. Find a group that does not yet have a credit union.
2. Get it to organize a credit union. (Write to your league or to Cuna for instructions and helpful material.)
3. Apply to Cuna in writing for membership in Founders' Club, giving your name, the name of your credit union, and the name of the credit union organized.

You will receive an attractive certificate and a pin (see cut above).

OUR READERS *write*

Social Security Tax Payments

TO THE EDITOR:

Relative to the article by E. J. Poetter titled "A Tale of Embarrassment" in which Mr. Poetter summarizes his article with the following notation, "If your credit union does not pay any employee on a monthly or quarterly basis but votes an annual salary or bonus to the treasurer or other employee of more than \$45, the tax should be paid at the end of the quarter in which the compensation is paid."

Our credit union took this matter up with the Collector of Internal Revenue at Milwaukee and we received the following reply relative to social security taxes. "Reference is made to your letter of November 18, 1946, requesting information concerning the application of social security taxes.

"In view of the fact that your organization is exempt from Federal income tax under Section 101 of the Internal Revenue Code, the services of officers or other employees do not constitute covered employment unless the remuneration for services performed during a calendar quarter-year period exceeds \$45. It is immaterial that the salary may be paid on an annual or any other basis."

Judging from this reply any compensation paid under \$180 per year is exempt from payment of Social Security taxes regardless if paid on a quarterly or yearly basis.—Joseph B. Blair, treasurer Center Valley Credit Union.

Evidently different collectors of Internal Revenue interpret the regulations differently. The above interpretation seems to be a sensible one. Perhaps credit unions in other districts can get similar rulings, preferably through their league offices. It should be noted, however, that the point the BRIDGE article was really making is that all state chartered credit unions which pay salaries totaling more than \$45 per quarter are subject to Social Security taxes. Federal credit unions are exempt.

Offers Helpful Suggestions

TO THE EDITOR:

Commenting on articles in this month's BRIDGE will say that best of all I always read "What About It?" Next I thought the article about annual meetings was good and timely. The index to 1946 issues will also come in handy.

I think articles informing us more about Cuna bonding service and Cuna insurance would be beneficial; there was some sort of mixup a couple of

years ago over our bonding companies and insurance, and so forth, and I am not sure yet whether Cuna is bonding and insuring us or some private company.

Another thing I might mention, I think it would be a good idea to devote an entire page of BRIDGE each issue to listing and explaining book-keeping and educational supplies available through CUNA and the prices of the various items, how are we to know what we can get if you don't tell us about what is obtainable and keep on telling us. I might mention a few articles in the present BRIDGE that I would rather do without than a good list of supplies.—F. E. Fick, president Dobeckmun Federal Credit Union, Cleveland, Ohio.

Thrift Only Way

DEAR EDITOR:

Keep up the good work; before long many will realize that THRIFT is the only way to build a sound business.—F. N. Spencer, secretary-treasurer Craig Community Savings & Credit Union, Craig, Saskatchewan.

Success Due to Four Factors

TO THE EDITOR:

I am enclosing clippings advertising our tenth anniversary and annual meeting, November 20, 1946. The advertisement in the FALL RIVER HERALD-NEWS reaches 120,000 potential readers and the one in the Spectator 4,000. (Both advertisements are full-page ones.)

The Herald-News advertisement was good publicity for the Town of Somerset, as well as for our credit union, and also gave every credit union in our vicinity a boost.

Our anniversary was held in the Old Town Hall and standing room only was the rule.

Our present membership is 701 and our goal is 1,000 members before our next annual meeting.

Our success during the year was due to four factors.

1. Ideas taken from THE BRIDGE. Our treasurer would lose his enthusiasm without the help of THE BRIDGE.
2. Newspaper advertising.
3. Personal contact of the director among prospective members.
4. Helpful information from both state and national headquarters.

We are using a two-inch advertisement weekly in the FALL RIVER HERALD-NEWS.—John A. Grandfield,

treasurer Somerset Community Credit Union, Somerset Centre, Massachusetts.

Builds Up Good Will

DEAR EDITOR:

The Pioneer Savings & Credit Union Ltd. was started in August 1937, by a group of railway men in self protection against between-payday borrowings and for mutual assistance in cases of injury or sickness because it was always the saver who had the odd dollar or so when the hat was passed around to help out some less fortunate fellow worker.

While it has never been inserted in legislation, we have always followed the practice, whenever we knew that one of our members was ill, not to check up too closely on his monthly repayments on his loan, but to suspend interest charges, until one month after he returns to work. This makes our members feel happier at a very small cost to the membership and is a reason why the credit union can build up a feeling of goodwill and confidence.—R. Herrod, treasurer, The Pioneer Savings and Credit Union Ltd., Moose Jaw, Saskatchewan.

Good Increase Since January 1946

TO THE EDITOR:

Our board of directors here at the plant of the Owens-Illinois Glass Company, are very proud of our credit union, so we are passing along some facts to you for publication if you wish to use them.

We have been in business since November 1919. In that time we have loaned over \$102,000. Only on two occasions has a co-signer been forced to meet an obligation of the borrower. Both of these occurred before the war.

During the war our membership was low, but since January 1946 it has shown a good increase, which will increase further as many will likely stop buying government bonds.

Our shares account is a little over \$63,000. We have never paid less than 2½ percent dividends.—D. D. Morris, treasurer, Glassboro Onized Federal Credit Union.

Every Member

DEAR EDITOR:

I must say how much I appreciate every issue of BRIDGE and really would like to see it in the hands of every officer; in fact I think every member could get some good pointers out of it.—A. S. Birkett, Badger Credit Union, Peshtigo, Wisconsin.

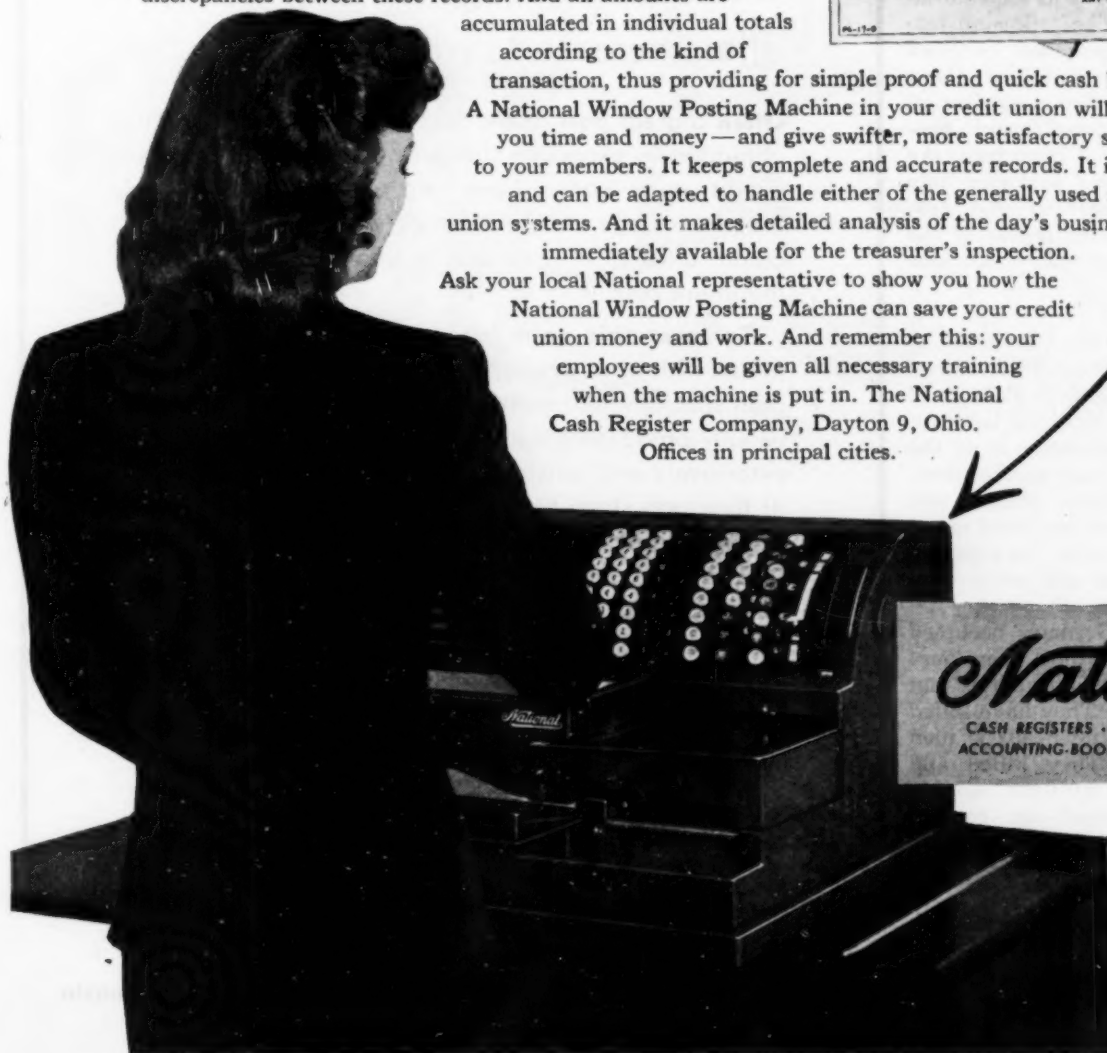
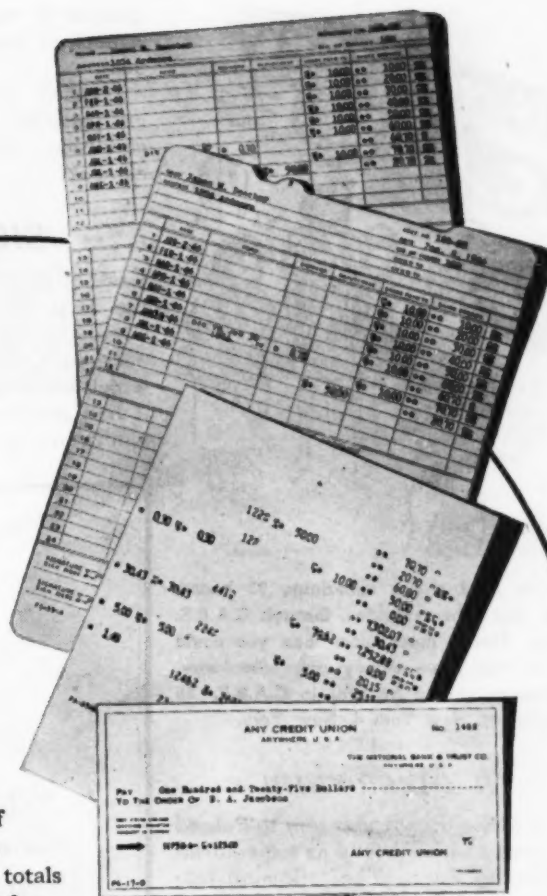
Cover Picture

Wilbert Guský receiving a dividend payment from William Koenig, treasurer Montsanto Credit Union, St. Louis, Missouri.—Montsanto Magazine photo.

a complete accounting system that ends mistakes in figuring

With a National Window Posting Machine the credit union's ledger card and the member's receipt folder are posted and a detailed audit sheet printed, all at the same operation. Verification of entry can also be printed on any voucher or other medium at the same time if desired. All records are originals—no carbons.

All figures are identical. This eliminates all chance of discrepancies between these records. And all amounts are accumulated in individual totals according to the kind of transaction, thus providing for simple proof and quick cash balancing. A National Window Posting Machine in your credit union will save you time and money—and give swifter, more satisfactory service to your members. It keeps complete and accurate records. It is flexible, and can be adapted to handle either of the generally used credit union systems. And it makes detailed analysis of the day's business immediately available for the treasurer's inspection. Ask your local National representative to show you how the National Window Posting Machine can save your credit union money and work. And remember this: your employees will be given all necessary training when the machine is put in. The National Cash Register Company, Dayton 9, Ohio. Offices in principal cities.



National
CASH REGISTERS • ADDING MACHINES
ACCOUNTING-BOOKKEEPING MACHINES



You can send a box containing 30 hearty meals, plus other supplies, through C.A.R.E. for \$10. This is much more than you could send for the same money any other way. Remittances should be sent to C.A.R.E., 50 Broad Street, New York 4, New York.

In Memoriam

A C.A.R.E. PACKAGE was sent to Poland by a credit union friend as a memorial to Dorothy Farr. The following letter of acknowledgment was received by her husband, Gurden Farr, Cuna first vice president and president of the Detroit, Michigan, Postal Employees Credit Union. It portrays the desperate plight these packages help relieve, and is heartwarming testimony to the appropriateness of the memorial to a person whose life was one of service.

DEAR SIR:

I am graduate of the University of Michigan—Dental Dept. 1912. Since that time I was working in Poland. I was well-to-do man until the last war, but at the very beginning of it the house where I was living was bombed; nearly 50 men were killed and wounded, among them we found many our relations and friends. In a second we became homeless and very, very unhappy.

Five long years Germans occupied Poland and all the time they performed the most terrific cruelties that a man can imagine. They have killed and burned in our town 40,000 men (out of 100,000). They killed and burned in furnaces 8,000,000 men in Poland. They burned our capital, Warsaw. Millions of our people were poor, homeless, nervous, broken victims.

The war ended, but our sufferings are still very great: scarce clothing, little food and often no place, no home, no house to live in is the reason.

But our sufferings would be still

greater if there would be no good American people, who help us great deal.

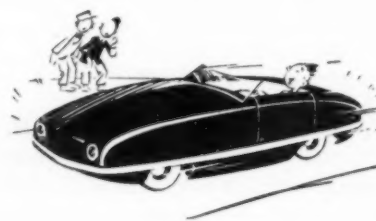
I thank you very much for your gift package. I received it in excellent condition.—Sincerely yours, A. Piechowski.

\$10,000,000

LAST JULY 30 was a notable day for the East Hartford Aircraft Federal Credit Union in East Hartford, Connecticut. On that day it made the loan which raised to \$10,000,000 the amount it had lent its members since its organization in January, 1935.

On December 30 it had made 64,482 loans, which totaled \$10,016,063.82.

Of this total \$31,013 has been charged off for bad loans, of which \$2,708 has been recovered, leaving a net loss of \$28,304. This represents a loss of less than three-tenths of one percent of the amount lent. Treasurer Harold A. Iverson reports that the credit union is recovering approximately \$800 each month of the amount charged off and that during this year they hope to reduce the total loss to not more than \$25,000, which would be less than one-fourth of one percent of the amount lent.



Packaged credit union auto financing

low-cost credit union loans PLUS low-cost credit union insurance

offers increased savings and protection

Often a great part of the cost of automobile financing is hidden in excessive charges for required insurance. Credit union leaders have long realized that low-cost, broad-coverage auto insurance must be available to credit unions, if they are to provide auto loans at minimum cost.

To meet this need leaders in several states have joined with us in developing a packaged auto financing plan specially for credit unions. This plan provides unusually broad coverage; costs little; has been tried out extensively and satisfactorily; and has been the subject of thorough study by the Auto Insurance Fact Finding Committee of the Credit Union National Association. It is now recommended by the Cuna Executive Committee, and is being introduced on a national scale under Cuna supervision.

May we serve you?



Employers Mutual Liability Insurance Company of Wisconsin

Home Office: Wausau, Wisconsin

Be Ready
FOR HIM

with
REGULAR
savings
IN YOUR
CREDIT
UNION



First stop every pay day—your credit union office

"COME RAIN or SHINE...HOT or COLD"

You Should Attend!

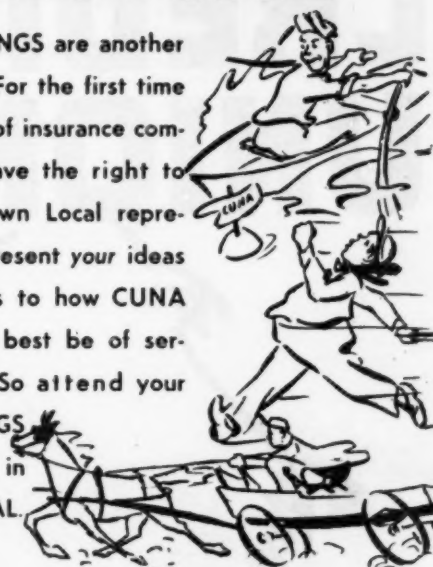


Be a voice in **CUNA MUTUAL**



"COME Rain or Shine . Hot or Cold" you should attend your AREA MEETINGS! Ski, skate, swim or run. Come by boat, train, plane or auto, (by horse and buggy if need be)—but get there ... for it is your right! Exercise it! Be a VOICE in CUNA MUTUAL! After all it is your company and its success and value depends upon your participation.

AREA MEETINGS are another CUNA FIRST. For the first time in the history of insurance companies, you have the right to select your own Local representative to present your ideas and desires as to how CUNA MUTUAL can best be of service to you. So attend your AREA MEETINGS ... BE a VOICE in CUNA MUTUAL.



CUNA

CUNA MUTUAL INSURANCE SOCIETY
CREDIT UNION OWNED & CONTROLLED

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MADISON 1 WISCONSIN

CANADIAN BRANCH BOX 65
HAMILTON, ONTARIO